



SECRETARY OF THE AIR FORCE  
WASHINGTON

APR 17 2000

MEMORANDUM FOR ALMAJCOM-FOA-DRU/CC

SUBJECT: Mandatory Travel Card Policy

Implementation of the Travel and Transportation Reform Act of 1998, requiring all government travelers to use the government travel card for all official travel, will take effect 1 May 2000. Attached USD(C) TTRA Policy (Atch 2) explains how Public Law 105-264 will be implemented. Additional Air Force policy (Atch 1) indicates our approach to specific issues including transportation charges and exemptions.

At CORONA it was agreed that airline and other transportation charges would be billed to a central card to avoid any inconvenience to the traveler and to protect him or her from untimely refunds or other problems. Since then it has become clear that, in some cases, individual billing works well. It does not inconvenience the traveler and reduces Air Force workload. Therefore, the CORONA guidance is broadened to permit MAJCOM commanders the choice of charging central billed card accounts or individual billed card accounts.

Training and publicity are important to the implementation of this new travel card policy. We will continue to use Air Force news service to remind people of the law and its provisions. Training is the responsibility of local commanders. A scripted briefing designed to help commanders with training is available on the SAF/FM web page, under Travel Card, ([www.saffm.hq.af.mil](http://www.saffm.hq.af.mil)).

A handwritten signature in black ink, appearing to read "F. White", is located in the lower right quadrant of the page.

Attachments:

1. Air Force Policy for TTRA
2. USD(C) TTRA Policy

## DEPARTMENT OF AIR FORCE POLICIES TO IMPLEMENT THE “TRAVEL AND TRANSPORTATION REFORM ACT OF 1998”

The Travel and Transportation Act of 1998 (Public Law 105-264) requires use of the government travel card for official travel expenses. The effective date for implementation is May 1, 2000. Attached is the final USD(C) policy guidance. It will be included in the next update to DoD Financial Management Regulation 7000.14R Volume 9, *Travel Policy and Procedures of the DoD Financial Management Regulation*. Air Force policy outlined in this memo is effective 1 May 00 and will be incorporated into the next revisions of AFI 65-103, *Temporary Duty Orders*, AFI 65-104, *Government Travel Charge Card Program*, and AFI 24-101, *Passenger Movement*. This document outlines key policy issues that will be incorporated in these instructions.

### **A. Transportation Charges**

1. Transportation charges may be billed to a centrally billed account (CBA), which means one card for an entire base or unit. Charges may also be billed to a card carried in an individual's pocket, called an Individually Billed Account (IBA).

2. MAJCOM commanders may decide whether transportation charges for official transportation travel are billed to CBAs or IBAs or a mix. MAJCOM commanders may also delegate this decision to their base or installation commanders. The key criterion should not change: protect the traveler from inconvenience or extra workload. If that means central billing, that should be the policy. Central billing may increase reconciliation workload. To address this concern, an effort is underway to develop reconciliation software with Bank of America, and additional automation will eventually be available as the Defense Travel System is deployed.

3. In cases where commanders decide that billing to individual cards is acceptable, they should take steps to encourage travelers to use the split disbursement option. Under split disbursement, the Government pays the travel card for official charges directly rather than sending the money to an individual who must then pay the bill. As a result of legal and policy considerations mandatory split disbursement is not appropriate, but commanders should take steps to explain and strongly encourage its use.

4. In certain cases, it will still be necessary to continue to use Government Transportation Requests (GTRs) for the purchase of official transportation in addition to IBAs and CBAs. However, GTR use should be eliminated to the maximum extent possible. MAJCOMs will report those circumstances requiring use of the GTR to AF/ILT.

## **B. Exemptions**

1. Air Force policy mirrors DoD guidance with a number of exemptions to mandatory use of the travel card. Specifically, paragraph E.1. of the USD(C) guidance exempts certain classes of personnel from mandatory use of the travel card under the conditions listed in subparagraphs E.1.a. and b. (For the exemption set out at subparagraph E.1.a. (3), “new appointees” are defined to be those with fewer than three months of service since joining or rejoining civil service.) Commanders may implement these exemptions without prior approval but must be prepared to justify them based on the criteria in paragraph E.1.

2. Similarly, paragraph E.2. exempts certain categories of expenses from mandatory use of the travel card. The result of these exemptions is that the card must be used only for transportation, lodging, and rental cars though it can be used for other charges associated with government travel. Commanders should apply these exemptions as appropriate.

3. Paragraph E.3. allows individual exemptions to be granted without the prior approval of USD(C) and blanket exemptions with the prior approval of USD(C). For all exemptions under paragraph E.3., MAJCOM, FOA and DRU commanders must submit fully justified requests for such exemptions through channels to SAF/FM prior to implementation. SAF/FM will forward the request to USD(C) or notify GSA as appropriate and notify the commander if and when the exemption can be granted. Commanders should limit exemption requests under paragraph E.3 to those required as a matter of operational necessity. In practice, there should be little need for individual operational necessity exemptions because of the exemptions available under paragraph E.1.

4. The requirement for mandatory use of the travel card applies to all members of the active duty Air Force, civilian employees and members of the USAFR and ANG while in federal service (title 10 status). DoD has consulted with the National Unions on the provisions of the new law. Servicing Civilian Personnel Flights should be contacted to ensure local bargaining obligations are satisfied prior to implementation of this guidance for bargaining unit employees.

## **C. Compliance**

The law and regulations do not address issues of discipline related to this act. Discipline is at the discretion of commanders and should be applied in a measured, graduated fashion. The following statement should be placed on all travel orders, “All DoD personnel are required to use the government-sponsored, contractor-issued travel charge card for all expenses arising from official government travel, unless otherwise exempted in accordance with the provisions detailed in paragraph E of the USD(C) TTRA policy guidance dated Feb 18, 2000.”

Attachment:

USD[C] TTRA Policy



COMPTROLLER

UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

FEB 18 2000

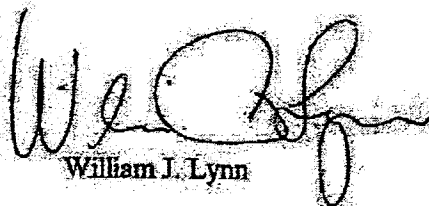
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Implementation of the Travel Card Requirements Contained in the Travel and Transportation Reform Act of 1998 (TTRA)

On January 19, 2000, the General Services Administration published Amendment 90 to the Federal Travel Regulation in the Federal Register as a final rule. This amendment implements the requirements contained in Public Law 105-264, the "Travel and Transportation Reform Act of 1998" (TTRA). It provides that it is applicable to official travel performed after February 29, 2000, or upon the issuance of agency implementing regulations, whichever first occurs. Provisions of the TTRA include: (1) mandatory use of the government contractor-issued travel card for all official travel expenses; (2) authority to grant exemption from the mandatory requirement; and (3) application of late payment fees to a travel settlement that takes more than 30 days.

The Department of Defense (DoD) long has supported a robust travel card program for which the Under Secretary of Defense (Comptroller) (USD(C)) is the proponent. Accordingly, the Deputy Secretary has delegated the authority granted to the Secretary of Defense under the TTRA to the USD(C).

Attached is the Department's policy for the TTRA implementation. This policy will be included in Volume 9, "Travel Policy and Procedures," of the DoD Financial Management Regulation (DoD 7000.14-R). Under the TTRA, the Secretaries of the Military Departments may exempt any expense, person, type or class of expenses, or type or class of personnel from the mandatory use requirements of the TTRA. Consistent with the attached policy statement, please submit any exemptions of types or classes of personnel or types or classes of expenses, as well as any implementing regulations, or modifications thereof, to my office for approval prior to issuance.

  
William J. Lynn

Attachment

DEPARTMENT OF DEFENSE  
POLICIES TO IMPLEMENT THE  
"TRAVEL AND TRANSPORTATION REFORM ACT OF 1998"

A. PURPOSE

To establish policies for Department of Defense (DoD) implementation of Public Law 105-264, the "Travel and Transportation Reform Act of 1998" (TTRA).

B. APPLICABILITY AND SCOPE

These policies are applicable to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Inspector General of the DoD, the Defense Agencies, the DoD Field Activities, the Uniformed Services University of the Health Sciences and all DoD Nonappropriated Fund Instrumentalities (hereafter referred to collectively as the "DoD Components").

C. RESPONSIBILITIES

1. The Under Secretary of Defense (Comptroller) (USD(C)) shall develop DoD-wide policy for implementation of the requirements of the TTRA and shall monitor implementation of the TTRA by the DoD Components.

2. The Heads of the DoD Components shall develop a strategy for implementing the TTRA, shall ensure that personnel required to use the travel card are provided with adequate information concerning its use and restrictions, and shall comply with the provisions of this policy.

D. MANDATORY USE OF THE TRAVEL CHARGE CARD

All DoD personnel shall be required to use the government-sponsored, contractor-issued travel charge card for all expenses arising from official government travel, unless otherwise exempted in accordance with the provisions of the following paragraph, "E. Exemptions." Travel orders shall contain a statement notifying the traveler whether mandatory use of the travel card is required or whether the traveler is exempt from the mandatory use provision. Failure to use the travel card shall not be a basis for refusing to reimburse the traveler for otherwise appropriate charges; however, such failure may subject the traveler to appropriate administrative or disciplinary action.

E. EXEMPTIONS

1. Classes of Personnel Exempted:

a. The General Services Administration (GSA) has exempted the following classes of personnel from mandatory use of the travel charge card.

(1) Employees who have an application pending for the travel charge card.

(2) Individuals traveling on invitational travel orders.

(3) New appointees.

b. In addition to the government-wide GSA exemptions, the following classes of personnel are exempt from mandatory use of the card throughout the Department of Defense:

(1) Members of the Reserve Officer Training Corps and military personnel undergoing initial entry or initial skill training prior to reporting to their first permanent duty station.

(2) Military and DoD civilian personnel who are denied travel charge cards or whose travel charge cards have been canceled or suspended for financial irresponsibility or for other specific reasons.

(3) Prisoners.

(4) Such military or DoD civilian personnel as approved by the Head of a DoD Component during (a) a period of war; (b) a national emergency declared by the President or the Congress; or (c) mobilization, deployment, or contingency operations.

(5) Such military or DoD civilian personnel traveling to or in a foreign country where the political, financial, or communications infrastructure does not support the use of a travel charge card.

(6) Such military or DoD civilian personnel whose use of the travel charge card, due to operational, security, or other requirements of a mission, would pose a threat to national security, endanger the life or physical safety of themselves or others, or would compromise a law enforcement activity.

(7) Direct and indirect hire foreign nationals.

(8) Individuals employed or appointed on a temporary or intermittent basis upon a determination by the individual's supervisor or other appropriate official that the duration of the employment or appointment or other circumstances pertaining to such employment or appointment does not justify issuance of a travel charge card to such individual.

## 2. Classes of Expenses Exempted:

a. The GSA has exempted the following classes of expenses from the mandatory use of the travel charge card:

(1) Those incurred at a vendor that does not accept the government-sponsored, contractor-issued travel charge card.

(2) Laundry/dry cleaning.

(3) Parking.

(4) Local transportation system fares.

(5) Taxi fares.

(6) Tips.

(7) Meal charges when the use of the card is impractical (e.g., group meals or when the card is not accepted at a dining establishment).

(8) Telephone calls (when a government calling card is available for use in accordance with agency policy).

b. In addition to the government-wide GSA exemptions, the following classes of expenses are exempt from the mandatory use of the travel charge card throughout the Department of Defense:

(1) All expenses covered by the "meals and incidentals" portion of the per diem allowance.

(2) All local and long distance telephone calls.

3. Exemptions made by the Heads of DoD Components

a. The Heads of DoD Components may exempt additional types or classes of expenses or type or class of personnel from the mandatory use requirements of the TTRA. An exemption covering a type or class of expenses or type or class of personnel shall be approved by the USD(C) prior to implementation.

b. The Heads of DoD Components may exempt any individual person or specific expense (i.e., a specific occurrence of an expense relating to a particular traveler or a single episode of travel) from the mandatory use requirements of the TTRA. These exemptions do not require approval by the USD(C).

c. The Head of the DoD Component shall notify the GSA not later than 30 days after granting an exemption, including a statement of the reason for the exemption. Notifications shall be submitted directly to the Administrator of General Services, Attention: MTT, 1800 F Street, NW, Washington, D.C., 20405. Copies of the notifications shall be provided to the Defense Finance and Accounting Service (DFAS), Attention: DFAS-HQ/FMT, 1931 Jefferson Davis Highway, Arlington, Virginia, 22240-5291.

F. PAYMENT METHODS AUTHORIZED IN CASES OF EXEMPTIONS

When an exemption is granted from the mandatory use of the travel charge card, one or a combination of the following may be authorized for payment of travel expenses: (1) Personal funds, including cash or a personal charge card; (2) Travel advances; or (3) Government Travel Requests. (City pair contractors are not required to accept payments under (1) or (2).) In addition, an individual exempt from mandatory use of the travel charge card may still use the travel charge card on a voluntary basis for official travel expenses.

#### G. TIMELY REIMBURSEMENT OF TRAVEL EXPENSES

1. DoD personnel must be reimbursed for authorized travel expenses no later than 30 days after submission of a proper travel claim to the approving official. Therefore, a satisfactory recordkeeping system must be maintained by the approving official to track submission and receipt of travel claims. For example, travel claims submitted by mail could be annotated with the date of receipt by the approving official. Travel claims submitted electronically to the approving official could be considered to have been received on the submission date indicated on the e-mail, or on the next business day if submitted after normal working hours.
2. If a travel claim contains any error that would prevent payment of the claim within 30 days after it is submitted, the claimant shall be notified about the error within 7 calendar days after submission of the claim. The notification shall include the reason(s) why the travel claim is not proper.
3. Where payment of the travel settlement takes longer than 30 days following receipt by the approving official, a late payment fee is payable based on the Prompt Payment Act interest rate beginning on the 31<sup>st</sup> day after the submission of a proper travel claim and ending on the date that the payment is disbursed by the government. The only exception to the requirement for this payment is when the payment would be less than \$1.00. In addition, the traveler shall be paid an amount equal to any late payment charge that the travel charge card contractor would have been able to charge had the traveler not paid the bill. The Internal Revenue Service has determined that the late payment fee is reportable as interest and that the payment equal to the late payment charge is to be reported as additional wages.
4. DoD Component travel systems shall be modified as necessary to capture the date of submission of a proper travel claim and compute entitlement for late payment fees due as a result of untimely settlement.
5. Pending development and deployment of necessary system changes to implement the requirement set forth in subparagraph 4, above, each payment advice produced for a travel settlement shall advise the traveler of the potential entitlement to late payment fees, and refer the traveler to a DFAS web site. The DFAS shall include on its web site a "settlement time" calculator that estimates the late payment fees due to travelers, if any. No such statement will be required on a payment advice once the applicable travel system has been modified as set forth in subparagraph 4, above.
6. Pending implementation of system changes that will track late payments and automatically create and compute the entitlement resulting from such late payment, if a traveler believes that late payment fees are due, he or she shall submit a supplemental travel claim for late payment fees. Each such supplemental travel claim shall be submitted through the approving official, who will annotate the claim with the date that the original travel claim was received. As DoD travel systems are modified to implement the automated late payment fee computation and entitlement requirement, there no longer will be a need for separate action by the traveler to file a supplemental travel claim for late payment fees.



#### H. COLLECTION OF AMOUNTS DUE TO THE CONTRACTOR FROM EMPLOYEE'S NET PAY

The TTRA authorizes (but does not require) agencies to collect travel charge card debts incurred by agency personnel. At this time, the Department does not intend to exercise this discretionary provision of the TTRA. Instead, the current contractor agreement to provide service under the government's SmartPay Program shall govern the collection of debts.

#### I. APPROVAL OF REGULATIONS

All regulations implementing TTRA provisions, as well as any future changes thereto, must be approved by the USD(C) prior to issuance.

#### J. EFFECTIVE DATE AND IMPLEMENTATION

These policies are effective immediately and will be applied to travel payments for travel beginning after February 29, 2000. Any labor relations obligation under Title 5, United States Code, chapter 71 shall be fulfilled prior to implementation of this policy with respect to employees represented by unions.

The provisions of this memorandum shall be incorporated into Volume 9, "Travel Policy and Procedures," of the DoD Financial Management Regulation (DoD 7000.14-R).